

Blanket Purchase Agreements (BPAs) and the GSA MAS Program

Student Guide



List of Acronyms and Websites

Below are acronyms that appear in this guide. The corresponding website addresses are listed when available.

BPA	Blanket Purchase Agreement www.gsa.gov/bpa
IFF	Industrial Funding Fee
eBuy	GSA's electronic RFQ posting web site www.gsa.gov/ebuy
eLibrary	Market research tool www.gsaelibrary.gsa.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FSS	Federal Supply Schedules (A.K.A. Multiple Award Schedules)
GSA	General Services Administration www.gsa.gov
MAS	Multiple Award Schedule www.gsa.gov/schedules
MAS Desk Reference	http://www.gsa.gov/portal/content/226369
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
RFQ	Request for Quotation
SAT	Simplified Acquisition Threshold
SIN	Special Item Number
SOW	Statement of Work

Course Introduction

Welcome to GSA's *Blanket Purchase Agreements (BPAs) and the GSA MAS Program* training. This course is designed for the federal 1102 community working in both civilian and military agencies.

BPAs are an excellent method for an ordering activity to fulfill recurring requirements. BPAs can be used for simple recurring requirements or complex services requirements. In this course, you will learn how BPAs leverage an ordering activity's buying power in taking advantage of quantity discounts, saving administrative time, and reducing paperwork.

Course Outline

This course has six main Topics.

Topic 1: Introduction to the MAS Program

Topic 2: Benefits of the MAS Program

Topic 3: Types of Schedules and Characteristics

Topic 4: Introduction to BPAs

Topic 5: Establishing BPAs

Topic 6: Ordering Procedures

Course Objectives

Upon completion of this course, you should be able to:

- ❖ Describe the purpose and benefits of the Multiple Awards Schedule (MAS) program
- ❖ Describe the role of a Blanket Purchase Agreement (BPA) in the MAS program
- ❖ Describe the process and requirements used to establish BPAs
- ❖ Recognize the ordering procedures for BPAs



NUTS AND BOLTS TIP

These tips, identified by the icon shown here, are “how-to’s” designed to enhance the student’s learning experience.



MAS Desk Reference

As you read through this manual, look for these references for more detailed information on a particular subject.

Topic 1: Introduction to the MAS Program

What is a Multiple Award Schedule?

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- ☐ Governmentwide contract vehicle for **commercial** products, services, and solutions
- ☐ Also known as “Federal Supply Schedule (FSS),” “GSA Schedules” or “MAS”
- ☐ Standing solicitations posted on FedBizOpps
- ☐ Awarded using FAR Part 12 procedures

GSA Schedules

The MAS program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, indefinite delivery/indefinite quantity (IDIQ) contracts, which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.

Multiple Award Schedules are also known colloquially as “GSA numbers”, “GSA Schedules”, “GSA contracts”, “Federal Supply Schedules (FSS)”, and the “GSA list.” All of these terms are used synonymously within the federal contracting community to refer to the GSA MAS program. Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design, and landscaping services. In addition to commercial services, commercial supplies range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Contract Characteristics

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- ☐ Multiple Award IDIQ (5 year award, three 5 year options)
- ☐ Fixed Price EPA
- ☐ Fair and reasonable pricing
 - Price reductions may be applied at the order level
- ☐ Performance requirements established at the order level

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities, other than minimum and maximum threshold amounts. The ordering activity sets specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract. When issuing an order:

- ❖ Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- ❖ An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.

Limits on Order Placement and Timing

In accordance with FAR 8.405-1 and 8.405-2, Schedule users:

- ❖ May issue orders for supplies, or by services not requiring a statement of work (SOW) orally, by facsimile, by paper order, or electronic commerce methods.
- ❖ May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or electronic commerce methods are authorized.
- ❖ May place an order anytime during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
- ❖ May not issue oral orders for brand name items when the order exceeds \$25k.
- ❖ May not place repetitive orders for the same items, to attempt to avoid exceeding the Simplified Acquisition Threshold (SAT) and holding a proper competition.

Negotiating Reductions from Schedule Prices

- ❖ Permitted at any time. Vendor may offer reduced prices based on specific quantities, overall volume, delivery requirements and other order-specific conditions and terms.
- ❖ REQUIRED for the government buyer to REQUEST reductions for any requirement (order or BPA) in excess of the SAT.

Vendors not required to agree to any reductions.

Regulatory Foundation

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The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government Ordering Activities
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The **Federal Acquisition Regulation (FAR)** provides the primary regulatory guidance for the GSA Schedules program. The **General Services Administration Acquisition Regulation (GSAR)** is the GSA FAR supplement. The GSAR provides guidance tailored to GSA **acquisitions**, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the Contracting Officers awarding and administering GSA Schedule contracts.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that federal government ordering activities must follow when issuing orders using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 8.404(a)).

FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the federal government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.

FAR 6.102(d)(3), Competition Requirements, this subpart pertains to use of competitive procedures. It states use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of the General Services Administration is a competitive procedure.

FAR Applicability to Schedules

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FAR	Title	Applicable
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology	YES

Topic 2: Benefits of the MAS Program

FAR Subpart 8.4 Simplifies the Solicitation Process

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Schedule Orders are:

- ✓ Faster
- ✓ Easier
- ✓ More Economical

In contrast to FAR Part 15, Schedule orders do not require:

- ✗ Formal evaluation (SSEB not required)
- ✗ Cost analysis (commercial pricing at the Schedule level)
- ✗ Extensive documentation (less formal process)
- ✗ Debrief (may provide feedback)
- ✗ Competitive range determination

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, *Simplified Acquisition Procedures*, Part 15, *Contracting by Negotiation*, and FAR Part 19, *Small Business Programs* [except for 19.202-1(e)(1)(iii)], are **NOT** applicable to orders placed against Multiple Award Schedules. (Except that FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract.)

Under FAR Subpart 8.4 ordering activities do NOT:

- ❖ Conduct a formal “negotiated procurement”
- ❖ Issue a “solicitation” for 30 days (or any other pre-determined time)
- ❖ Conduct “discussions”
- ❖ Conduct formal “debriefings”
- ❖ Use FAR Subpart 15.3 concepts and procedures

Not using FAR Subpart 15.3 concepts and procedures has the following implications for your task order selection process:

- ❖ There is no requirement to follow the FAR 15.305 requirement to “evaluate competitive proposals and then assess their relative qualities.” In other words, your evaluation system can immediately compare (and remember, we don’t say “compete” because the CICA requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past

performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.

- ❖ There is no requirement to capture “the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation...” as required in FAR 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially down-select the quoters.
- ❖ Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

GSA Schedules Conform with Competitive Contracting

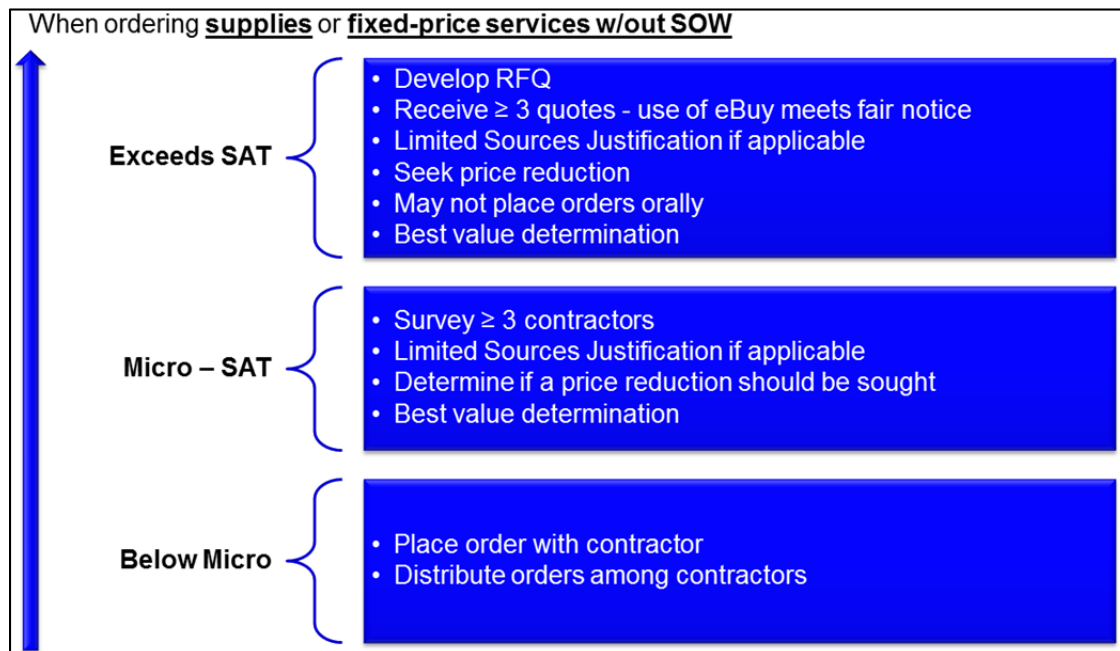
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Schedule users shall not:

- Seek further competition outside of the MAS program
- Synopsise the requirement

Ordering Procedures - FAR 8.405-1

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When Is an SOW Not Required?

According to FAR 8.405-1, when acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or BPA:

- ❖ **Is at or below the micro-purchase threshold.** You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection, and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- ❖ **Exceeds the micro-purchase threshold, but not the simplified acquisition threshold.** You should obtain at least three (3) quotes (always documenting your contract file and select the best value quote).
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors that help you meet your agency's socio-economic goals.
 - Use an RFQ only if it is the most efficient method for gathering the information needed to evaluate solutions available under GSA Schedules. When using an

RFQ, the Schedule user must provide the RFQ, including the evaluation criteria, to any contractor under the appropriate Schedule that requests a copy.

- The Schedule user should seek a price reduction when:
 - Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
- The Schedule contractor has been or will be selected to provide recurring requirements and the size of the recurring orders appears to merit a price reduction.
- Market research identifies other information indicating that a price reduction is appropriate.

Exceeds the Simplified Acquisition Threshold, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. eBuy shall be used as one method to ensure at least 3 written quotations are received. If fewer than 3 are received, the Contracting Officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition. New procedures also apply for DoD agencies when the value of the order exceeds the simplified acquisition threshold (\$150,000) and only one offer was received (**DFARS 208.404 and 208.405–70**). If less than 30 days for offer submission was allowed, the CO must consider promoting competition by revising the requirements document to eliminate any barriers and by permitting more time for receipt of offers when fewer than 30 days was initially allowed. The contracting must either resolicit for 30 days or more or request a waiver. If the contracting officer still faces only one offer, they must determine prices to be fair and reasonable through price or cost analysis or enter negotiations with the offeror.



NUTS AND BOLTS TIP

Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.



NUTS AND BOLTS TIP

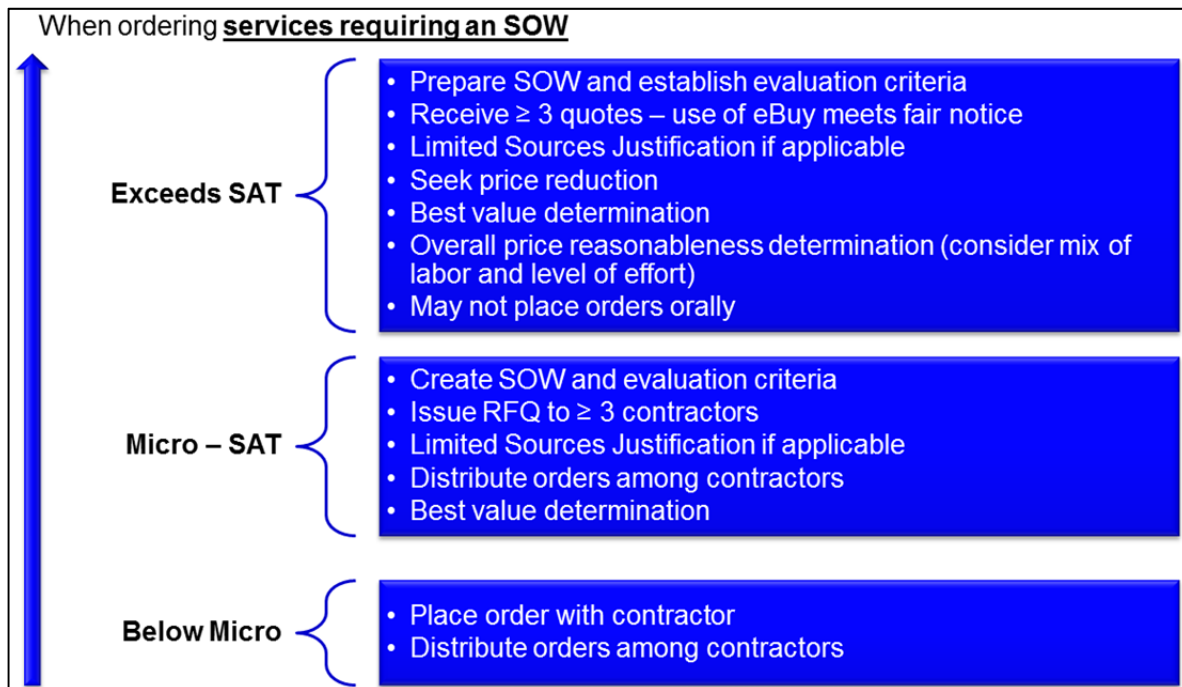
FAR 9.405-1(b) prohibits ordering from any Schedule contractor that is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

A Schedule user can review the contractor's information page in GSA eLibrary (www.gsaelibrary.gsa.gov) or) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.

The FAR was also amended (through [Interim Rule 2012-013](#)) to prohibit the award of contracts using Fiscal Year (FY) 2012 appropriated funds to any Inverted Domestic Corporation (IDC). While this currently is limited to FY 12, a similar restriction applied to several preceding years and may apply also to future FYs. An IDC is a corporation that used to be incorporated in the United States, or used to be a partnership in the United States, but now is incorporated in a foreign country, or is a subsidiary whose parent corporation is incorporated in a foreign country, This applies to all ordering agencies using appropriated funds on task orders. Two ways exists to comply with this restriction - include the provision [52.209-2](#) Prohibition on Contracting with Inverted Domestic Corporations—Representation in RFQs when using FY12 appropriated funds or check the contractor's ORCA and see if provision 52.209-2 is included in their ORCA record. If the provision is included in ORCA, the contractor is representing that it is *not* an IDC and therefore eligible for an award.

Ordering Procedures - FAR 8.405-2

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When is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs) and include the SOW and evaluation criteria to Schedule contractors that offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted through eBuy.

If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria.

If an SOW/PWS/SOO is not required, the first step is to compare prices from appropriate Schedule contractors.

If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making.

After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the government.

Topic 3: Types of Schedules and Characteristics

MAS Schedule Facts

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- ❑ GSA offers over 20 million supplies and services
- ❑ 39 open and standing solicitations published on FedBizOpps (including 9 managed by VA)
- ❑ Over 19,000 Schedule contracts
 - 80% are small businesses
 - Orders and BPAs can be set aside for small businesses
- ❑ \$50 Billion total annual spend (including VA)

GSA Schedules provide access to over 20 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA eLibrary contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the Source column. Supplies and services are identified in each Schedule by SIN.

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are groups of similar (but not identical) supplies or services that are intended to meet similar customer requirements; SINs are also known as categories.

Each Schedule is comprised of multiple SINs. For example, *Schedule 874, Mission Oriented Business Integrated Services (MOBIS)*, has ten SINs:

- ❖ 874-1, Consulting Services
- ❖ 874-2, Facilitation Services
- ❖ 874-3, Survey Services
- ❖ 874-4, Training Services
- ❖ 874-5, Ancillary Supplies and/or Services
- ❖ 874-6, Acquisition Management Services
- ❖ 874-7, Program and Project Management
- ❖ 874-8, DAU and FAI Certified DAWIA Training
- ❖ 874-9, Off the Shelf and Customizable Print, Audio, and Visual Instructional Training Devices
- ❖ 874-99, New Services

GSA Schedules are awarded on an indefinite delivery and indefinite quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the

specific time for delivery of those items are not set in the contract. Schedule solicitations only include estimated total Schedule acquisition dollars for each SIN.

The quantity and names of Schedules and SINs change from time to time. GSA eLibrary (www.gsaelibrary.gsa.gov) provides a current listing of all Schedule contracts and links to additional information about each Schedule.

What Services are Available on Schedule?

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- | | |
|--|---|
| <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Information Technology Services |
| <input type="checkbox"/> Professional Engineering Services | <input type="checkbox"/> Advertising and Marketing Services |
| <input type="checkbox"/> Logistics Services | <input type="checkbox"/> Financial and Business Solutions |
| <input type="checkbox"/> Language Services | <input type="checkbox"/> Security Solutions |
| <input type="checkbox"/> Management and Consulting Services (including Training) | <input type="checkbox"/> Facilities Maintenance |
| <input type="checkbox"/> Temporary Administrative and Professional Services | <input type="checkbox"/> Disaster Relief |

Note: For a comprehensive list of services please visit [GSA eLibrary](#).

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are “standing solicitations” issued through FedBizOpps. Vendors wishing to become GSA Schedule contractors may submit an offer at anytime. More information on Schedule solicitations may be found at www.gsa.gov/schedulesolicitations.

GSA Schedule contracts have a base period of five years, with three additional five-year option periods. Options are exercised in accordance with FAR 17.207.

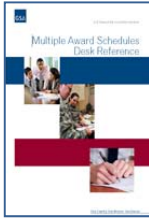
Ordering activities issue delivery or task orders against the contract. For services, the task orders specify the scope, milestones, timeframe, and price for the requirements. Options may be included on orders placed against Schedule contracts and options may be exercised, provided that:

- ❖ Funds are available
- ❖ The requirement covered by the option fulfills an existing government need
- ❖ Prior to exercising an option, the ordering activity ensures that it is still in the government’s best interest, with price and other factors considered
- ❖ The order options do not extend beyond the period of the Schedule contract options

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any government contract acquisition. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe services requirements in a way that permits sellers providing commercial services to compete. Preferably, a performance-based approach should be used, in accordance with FAR Subpart 37.6, so that results sought are stated, versus how the work should be done.



MAS Desk Reference

For more information, refer to the [MAS Desk Reference: Section 12:List of GSA Multiple Award Schedules.](#)

What Supplies are Available on Schedule?

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- | | |
|--|---|
| <input type="checkbox"/> Office Supplies and Equipment | <input type="checkbox"/> Information Technology Products |
| <input type="checkbox"/> Tools and Hardware | <input type="checkbox"/> Vehicles and support equipment |
| <input type="checkbox"/> Building and Industrial Materials | <input type="checkbox"/> Appliances and Food Services |
| <input type="checkbox"/> Furniture | <input type="checkbox"/> Law enforcement, Fire, and Security Products |
| <input type="checkbox"/> Scientific Equipment | |

Note: For a comprehensive list of services please visit [GSA eLibrary](#).

The FAR definition of “commercial items” as found at FAR 2.101(b) includes both supplies/commodities and services. It is very broad and encompassing and includes all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.

Evolved nongovernmental items: A nongovernmental item that:

- ❖ Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance; and
- ❖ Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation.

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- ❖ Modifications of a type customarily available in the commercial marketplace
- ❖ Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet federal government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.



MAS Desk Reference

For more information, refer to the [MAS Desk Reference: Section 12: List of GSA Multiple Award Schedules](#).

Topic 4: Introduction to BPAs

Blanket Purchase Agreements (BPAs)

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- ☐ A BPA is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply
- ☐ Establishes terms applicable to future orders
- ☐ Does not obligate funds

A Blanket Purchase Agreement (BPA) is a vehicle or an acquisition strategy that an ordering activity can use to simplify the acquisition of recurring needs for Schedule services or supplies. The benefits of using BPAs include leveraging buying power, saving administrative time, and reducing paperwork. Ordering activities that have a continuing need for identical or similar items available on a GSA Schedule can establish a Schedule BPA.

BPAs enable ordering activities to prepare for anticipated purchases and become more proactive in their purchasing. Because an ordering activity is not actually buying products or services when it establishes the BPA, funding does not have to be immediately available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can then make the purchase by simply placing a delivery or task order against the BPA.

MAS BPA Characteristics

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- ☐ MAS BPAs are issued against established MAS contracts
- ☐ Terms and conditions for the BPA, including contract type and clauses, must comply with the underlying MAS contract
- ☐ MAS BPAs are based on prices already subjected to competition and determined to be fair and reasonable by GSA
- ☐ MAS BPAs are subject to FAR Part 8 procedures, not Part 13

GSA has established that the prices contained within the contractor's Schedule pricelist are fair and reasonable. However, the ordering activity is responsible for considering the level of effort and mix of labor proposed to perform the required work and for making a determination that the price specific to the task order is fair and reasonable.

When establishing one or more BPAs, ordering activities should request discounted pricing; the Schedule-holders are not required to discount their prices, however. When placing an order against a BPA, the ordering activity is responsible for considering the level of effort and mix of labor proposed to perform a specific task being ordered, and for making a determination that the total price is fair and reasonable.

Both "traditional" BPAs and MAS (or "Schedule") BPAs can be used to fill anticipated repetitive needs for supplies and services. While traditional BPAs are subject to the requirements of FAR Part 13, *Simplified Acquisition Procedures*, FAR Part 13 does NOT apply to GSA Schedule BPAs. Schedule BPAs are governed by FAR Part 8.405-3, which states that ordering activities must give preference to establishing multiple-award BPAs rather than awarding a single BPA.

MAS BPAs and Acquisition

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- ☐ Simplifies ordering process for repetitive orders
- ☐ Considered a competitive procedure
- ☐ No guaranteed minimum or maximum
- ☐ Permits consolidation of agency and multi-agency requirements
- ☐ Eliminates need for immediate funding requirements

BPAs simplify the ordering process and should be used for negotiating better pricing for large, recurring requirements. BPAs specify the frequency of orders, invoices, discounts, requirements (e.g., estimated quantities, work to be performed), delivery locations, and time.

In accordance with FAR 6.102(d)(3), use of the MAS BPA is considered a **competitive procedure** under the Competition in Contracting Act (CICA) when the GSA Schedule ordering procedures are followed. Ordering activities shall not seek competition outside of the Schedules or synopses the requirement.

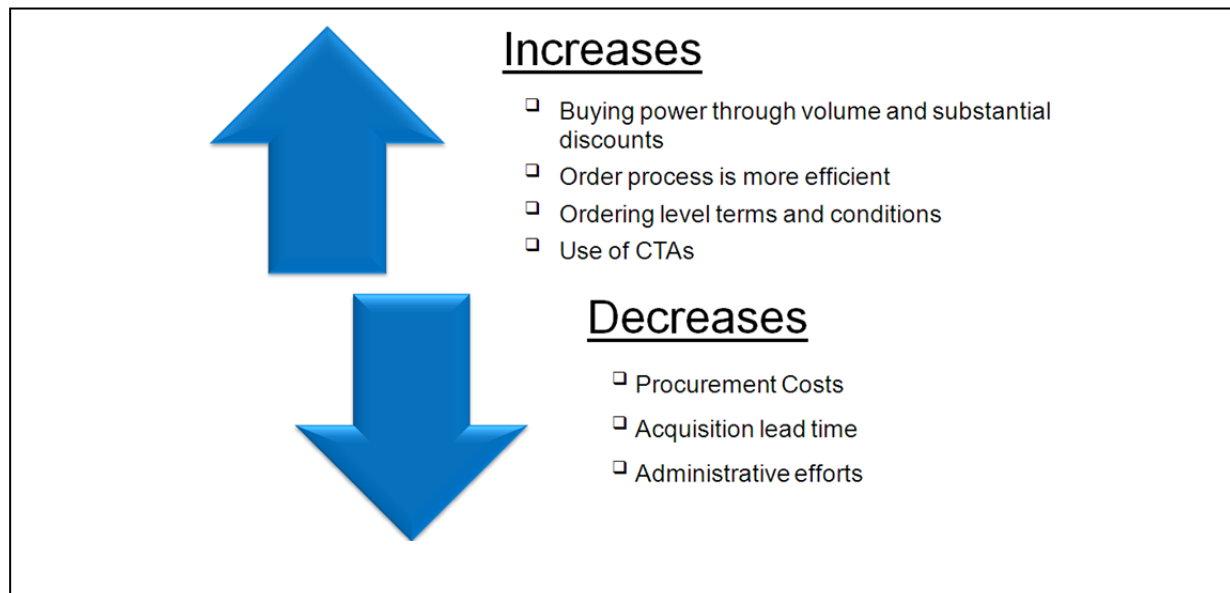
The ordering procedures outlined in FAR 8.405 apply to the establishment of a GSA Schedule BPA [FAR 8.405-3(a) and (b)]. Based upon the potential volume of orders under the BPA, ordering activities may be able to obtain greater discounts under the BPA, regardless of the size of individual orders. Additionally, 8.405-3(c) establishes procedures for placing orders against MAS BPAs.

Unlike IDIQ contracts, BPAs promise no minimum guarantee or maximum. It's possible, though unlikely, that a BPA contractor could receive no orders, or more orders, than anticipated. The Government is responsible for giving its best estimate for quantity and/or services to be procured under the BPA, but there is no guarantee. This could be viewed as a risk to some contractors, but it's actually an opportunity.

In addition to not performing a "fair and reasonable" price analysis (except for level of effort and labor mix considerations), ordering activities do not need to synopses requirements for purchase against a MAS BPA.

Benefits of MAS BPA

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Schedule BPAs offer many benefits. Most importantly, they help ordering activities anticipate and prepare for recurring purchasing needs, and they have fewer acquisition requirements than standard FAR contracts or traditional BPAs.

Contractual terms and conditions are contained in GSA Schedule contracts and flow down directly into GSA Schedule BPAs. Therefore, as a purchasing option, BPAs reduce the lead time of some contracting and open market requirements such as the search for sources and the need to prepare complex solicitations. Others are eliminated altogether, such as the requirement to synopsise the acquisition.

Contractual terms and conditions are contained in Schedule contracts and are not to be re-negotiated when establishing GSA Schedule BPAs. However, ordering activities can include additional terms and conditions in the MAS BPAs, as long as they do not conflict with the Schedule contract terms and conditions. As a purchasing option, Schedule BPAs eliminate such contracting and open market costs as the search for sources, the need to prepare complex solicitations, and the requirement to synopsise the acquisition.

BPAs also:

- ❖ Require no up-front funding
- ❖ Provide an opportunity to negotiate improved discounts.
- ❖ Satisfy recurring requirements.
- ❖ Reduce administrative efforts by eliminating repetitive, individual orders and payments.
- ❖ Let customers obtain better value by leveraging buying power through volume purchasing.
- ❖ Enable an ordering activity to use streamlined ordering procedures.

- ❖ Permit an ordering activity to incorporate Contractor Team Arrangements (CTAs).
- ❖ Allow for quicker turnarounds on orders.
- ❖ Permit an ordering office to incorporate terms and conditions not in conflict with the underlying contract, such as requiring contractors to report the green products supplied, thereby helping agencies to track and report their green product purchases.
- ❖ Provide “on/off ramps” for contractors when using multiple award BPAs.
- ❖ Now permit ordering offices to set-aside BPAs or orders against BPAs for small businesses, which helps fulfill socio-economic goals

A Schedule BPA can be set up for an agency’s field offices across the nation, thus allowing them to participate in the Schedule BPA and place orders directly with Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the Schedule BPA.

A multi-agency Schedule BPA is also permitted if the Schedule BPA identifies the participating agencies and their estimated requirements at the time the Schedule BPA is established

Additional Benefits

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Contractor Benefits:

- ☐ Simplifies production and revenue planning
- ☐ Potential for increased revenue through volume sales
- ☐ Quicker turnaround on orders, and an improved cash flow

From the government's perspective, the four best reasons to use Schedule BPAs are clear:

- ❖ It gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase.
- ❖ It saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- ❖ Pre-negotiated prices means that the government can be sure it is getting the best pricing from the contractor on all task orders associated with the Schedule BPA. Note that the government should seek additional price reductions when establishing a BPA.
- ❖ Funding is not required until a need arises and an order is placed.

BPAs help consolidate agency needs in many ways. Here are two examples:

1. A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
2. A multi-agency BPA can be established if the BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.

Contractors also see value in participating in a Schedule BPA:

- ❖ It simplifies production and revenue planning by providing an ongoing source of orders.
- ❖ It increases revenue through volume purchases. To earn the volume purchases, the contractor understands it must provide volume discounts.
- ❖ The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Single vs. Multiple-Award BPAs

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- ☐ The FAR stated preference is for multiple-award BPAs
- ☐ Choosing a multiple-award BPA encourages and facilitates competition when placing orders
- ☐ When considering single vs. multiple, the Contracting Officer should consider:
 - The scope and complexity of the requirement(s)
 - The benefits of on-going competition and the need to periodically compare multiple technical approaches or prices
 - The administrative costs of multiple BPAs
 - The technical qualifications of the schedule contractor(s)

To encourage and facilitate competition when placing orders under BPAs, the FAR establishes a preference for multiple-award BPAs rather than single-award BPAs. The number of BPAs to be established is within the discretion of the ordering activity establishing the BPAs and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).

The ordering activity must consider several factors, including the benefits of on-going competition, when deciding how many BPAs are appropriate and document the decision in the acquisition plan or BPA file. In determining how many multiple-award BPAs to establish or that a single-award BPA is appropriate, the contracting officer should consider the following factors and document the decision in the acquisition plan or BPA file:

- a) The scope and complexity of the requirement(s).
- b) The benefits of on-going competition and the need to periodically compare multiple technical approaches or prices.
- c) The administrative costs of multiple BPAs.
- d) The technical qualifications of the schedule contractor(s).

No **single-award** BPA with an estimated value exceeding \$103 million (including any options), may be awarded unless the head of the agency determines in writing that—

- a) The orders expected under the BPA are so integrally related that only a single source can reasonably perform the work.
- b) The BPA provides only for firm fixed priced orders for—
 1. Products with unit prices.
 2. Services with prices established in the BPA for specific tasks to be performed.
- c) Only one source is qualified and capable of performing the work at a reasonable price to the Government. Or,
- d) It is necessary in the public interest to award the BPA to a single source for exceptional circumstances.

If limiting the potential sources that will be considered for award of a single-award BPA, the above requirement for a determination to establish a single-award BPA greater than \$103 million is **in addition to** the requirement of FAR 8.405-6 for a limited-source justification. However, the two documents may be combined into one document, which must then be approved by the agency head.



NUTS AND BOLTS TIP

- (1) If the BPA is for hourly rate services, the ordering activity shall develop a statement of work for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the statement of work.
- (2) Only contractors holding current GSA Schedule contracts may participate in the establishment of a BPA based on GSA Schedules.

Single-award BPAs

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- ☐ Limited to 1 year, no more than 4 option years
- ☐ Should be established using the procedures outlined in FAR 8.405-3
- ☐ Documented justification and approvals required
 - Initial award >\$103M approved by agency head
- ☐ Benefits:
 - Simplified ordering process
 - Improved pricing and terms

A single-award BPA should rarely be used in conformance with the FAR preference for multiple-award BPAs. However, when a single-award BPA is used, it should be established using the procedures outlined in FAR 8.405-3. When establishing a single-award BPA, the ordering activity should address the following:

- ❖ The frequency of ordering, invoicing, discounts, requirements (or estimated quantities, work to be performed), delivery locations and time
- ❖ Supplies or services to be ordered and type of pricing, such as hourly rate services
- ❖ A Firm, Fixed- Price (FFP), or Labor-Hour (LH) or Time-and-Materials (T&M) pricing arrangement for individual tasks or orders as allowed in the GSA Schedule contract
- ❖ Whether a single BPA contractor can meet all of the estimated requirements
- ❖ Whether the government will obtain the best value from a single Schedule contractor, via the likely quantity discounts, administrative savings and other benefits related to reduced procurement lead-time vs. the ongoing need to price and perform competitively in a multiple-award BPA, task/delivery order-level competition environment
- ❖ Authorized users of the BPA and their collective requirements

For example, you have a recurring requirement for a wide variety of common use electronic components for “in-house” maintenance of the agency’s information technology equipment. Using Schedules eLibrary, you find that IT support equipment is listed under Schedule 70, Special Item Number (SIN) 132 8, and that there are numerous IT dealers whose Schedule contract pricelists include the wide range of supplies that you require. Several of the dealers are small.

You issue an RFQ for a single award Schedule BPA encompassing the indefinite quantities of items in the generic categories of the types of supplies you require, e.g., microchips, hard drives, flash memories, etc. You establish evaluation factors such as business size, past performance, delivery and price.

Advantages of a Single Schedule BPA Include:

- ❖ Simplifying all of your future orders — for items covered by a BPA you can go to just one Schedule vendor
- ❖ Potentially better pricing and terms by leveraging the full value of the collective requirements at the time of the up-front competition

Multiple-award BPAs

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- ☐ These are preferred by the FAR
- ☐ Duration generally does not exceed 5 years, but may do so to meet program requirements
- ☐ Benefits:
 - Continuous competition through the ordering process
 - Improved pricing and terms
 - Ability to search and negotiate for best value
 - Continuous competition benefits the Government

Multiple Award BPAs are established with more than one Schedule contractor. They are appropriate when the ordering activity determines that more than one BPA is needed to meet its needs, or when the requirement is less defined.

The number of BPAs to be established is within the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).

If the BPA is for hourly rate services, the ordering activity must develop an SOW/PWS/SOO for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the requirements document.

The “Multi-Agency” BPA

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- ☐ The ordering activity can set up a Schedule BPA so that the multiple agencies may order against the BPA directly with the Schedule contractor(s)
- ☐ The ordering activities eligible to use the BPA(s) should be clearly identified in the BPA, and each should define and consolidate its estimated requirements to obtain greater discounts
- ☐ For “Best Value,” the BPA must reflect the requirements of all users with an estimate of the total quantity
- ☐ Continuous competition benefits the Government

Setting up a Multi-Agency Schedule BPA

Before a Multi-Agency BPA is established, multiple ordering activities should identify, define and consolidate their requirements to obtain greater discounts. All users must also be identified as signatories. To ensure “Best Value” is obtained, the BPA must reflect the requirements of all users with an estimate of the total quantity.

The ordering activity can set up a Schedule BPA so that the participating agencies’ ordering activities may place orders against the Schedule BPA directly with the Schedule contractor.

Topic 5: Establishing BPAs

Establishing Number of BPAs

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- ☐ Factors to consider:
 - Scope and complexity
 - Benefits of ongoing competition
 - Administrative costs
 - Technical qualifications
- ☐ Document rationale in acquisition plan or file

FAR 8.405-3 clarifies the conditions under which BPAs may be established with one or more Schedule contractors. The number of BPAs to be established is under the discretion of the ordering activity establishing the BPAs and should utilize a strategy that is expected to maximize the effectiveness of the BPA(s). Schedule BPAs under the GSA Schedules Program are established using the ordering procedures listed in FAR 8.405-3.

Schedule BPAs shall address the frequency of ordering, invoicing, discounts, requirements (e.g., estimated quantities, work to be performed), delivery locations, and time. When establishing multiple Schedule BPAs, the ordering activity shall also specify **the procedures for placing orders under the Schedule BPAs (e.g. 8.405-3(c)(2))**.

Before an ordering activity can issue a task order against a Schedule BPA, it must first establish the BPA itself. The BPA has multiple documentation requirements which provide a permanent record of the process used in evaluating Schedule solutions and placing the Schedule order or BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practice. The Schedule user should consider documentation requirements and recommendations for various requirements, acquisition dollar levels, and agency requirements.

Most Schedule BPAs begin with general information such as the following:

- ❖ A statement that the document is a Schedule BPA;
- ❖ A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s) including the contract number(s);
- ❖ Identification of the organization issuing the Schedule BPA; and
- ❖ Identification of the contractor.

The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may also include other elements required by FAR 8.406-1 for Schedule orders.

Socioeconomic Considerations for BPAs

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Ordering activity contracting officers may, at their discretion, both set aside awards for orders and BPAs for any of the small business concerns identified in 19.000(a)(3). This change is reflected in FAR 8.405-5.

Ordering activities can take credit for awarding orders to these firms when purchases are reported in the Federal Procurement Data System (FPDS). Socioeconomic status can also be considered when identifying firms for competition, and can even be one of the evaluation criteria if a set-aside is not conducted. Ordering activities should give preference to small businesses for orders over the micro-purchase threshold, if 2 or more items at the same delivered price as a large business will satisfy the requirement.

BPAs and Small Business

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- ☐ Set-Asides may be conducted at the BPA or Order Level
- ☐ Must establish ordering procedures at the BPA level
 - Do not conduct order level set-asides without prior notice

The intent of Section 1331 of the Small Business Jobs Act of 2010 was to make available set-asides to the Multiple Award Schedules Program at all levels: orders, BPAs, and orders against BPAs. So the short answer is “yes,” agencies can set-aside orders against non-set-aside Schedule BPAs.

However, when setting-aside of orders against BPAs, we have the following guidance for ordering activities:

- ❖ **Existing multiple-award BPAs, or BPAs that were established without prior notification to prospective BPA-holders that orders may be set-aside under the BPAs**, should not have set-aside orders. Procedures for placing orders against BPAs come from FAR 8.405-3(c) and require that the ordering activity give “fair opportunity” to all BPA holders. While Section 1331 provided set-aside authority “notwithstanding fair opportunity requirements,” it would be inappropriate to restrict the competition on existing BPAs or on any non-set-aside BPAs where use of Section 1331 authority at the order level was not specified, and prospective BPA-holders were not notified, prior to the BPAs being established.
- ❖ **Newly-established multiple-award BPAs may use order set-asides where**
 - a) the BPA RFQ clearly states that the ordering activity may determine to set-aside task or delivery orders as described in the ordering procedures contained in the BPA’s Request for Quotations and in accordance with FAR 8.405-3(c)(2); and
 - b) there is sufficient competition amongst BPA holders such that the resulting task or delivery orders are in full compliance with the above cited regulatory requirements. The easiest way to comply with these requirements is to establish a number of BPAs which is more than adequate to cover the breadth and depth of expected task order delivery orders and at least 3 sources will be viable competitors for each task or delivery order.
OR
 - c) the ordering activity has properly documented restricting consideration in accordance with the requirements of FAR 8.405-6 and generated a Limited Sources Justification.

Must I use an SOW?

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- ☐ An SOW is not required for:
 - Supplies (i.e., all supplies are commercial items)
 - Services listed at a fixed price for performance of specific task
- ☐ An SOW *is* required for services priced at hourly rates

SOW Requirements

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When an SOW is required, include:

- ☐ Description of work
- ☐ Location of work
- ☐ Period of performance
- ☐ Deliverable schedule
- ☐ Applicable performance standards
- ☐ Special requirements; security clearances, travel, special knowledge, etc.

SOWs are the most prescriptive type of requirements document. They not only describe what the contractor has to do to achieve the Government's objectives, they tell the contractor how the work is to be performed. When deciding to whom to make an award when an SOW is used, past performance becomes a very significant evaluation factor. When establishing BPAs, a very general statement of need can be a part of the RFQ, but the more specific requirements will need to be defined at the order level.

Guide for Establishing BPAs for Products and Services Requiring an SOW		
If –	Then –	You would –
<p>The recurring tasks are substantially similar or substantially dissimilar, but subject to quantity price breaks that are less likely to materialize in repetitive order-level competitions over the timeframe</p> <p>OR</p> <p>The tasks you are purchasing can clearly be identified, such as mail management (accepting incoming mail and mail distribution) are significantly susceptible to receive maximum quantity price breaks 'up front'</p>	<p>Follow the procedures in FAR 8.405 including preparing required justification and documentation and obtain necessary approvals</p>	<p>Consider establishing a single-award BPA, however the FAR preference is for multiple-award BPAs. You must consider all the requirements outlined in FAR 8.405-3(a)(3) before establishing a single-award BPA.</p> <p><i>Note: The ordering activity should establish multiple-award BPAs to the maximum extent practicable.</i></p>
<p>The tasks you are planning on purchasing cannot be clearly defined, such as program management support for multiple offices</p> <p>OR</p> <p>The tasks you are purchasing are likely to benefit from repetitive price and performance quality competition throughout the BPA duration</p>	<p>Follow the procedures in FAR 8.405</p>	<p>Establish Multiple BPAs with technically qualified Schedule contractors</p> <p><i>Note: When issuing an order off of a multiple-award BPA, you must provide each BPA holder fair opportunity to be considered when the order value is less than the simplified acquisition threshold and</i></p>

		<i>forward an RFQ to all BPA holders if the requirement exceeds the simplified acquisition threshold.</i>
If –	Then –	You would –
Your BPA estimate is at or below the simplified acquisition threshold	Follow the procedures in FAR 8.405-3	Prepare an SOW/PWs/SOO (with evaluation criteria) and RFQ and transmit to sufficient Schedule contractors to receive at least three quotations or post on eBuy
Your BPA estimate exceeds the simplified acquisition threshold	Follow the procedures in FAR 8.405-3	Post the RFQ (including the SOW/PWS/SOO and evaluation criteria) on e-Buy or provide the RFQ as many Schedule contractors as practicable consistent with market research to reasonably ensure that at least three responses will be received. .
BPAs for Hourly Rate Services		
The BPA is for hourly rate services	Follow the procedures in FAR 8.405	Request a fixed price whenever practicable for performance of the tasks identified in the SOW/PWS/SOO for all orders placed against the BPA. Otherwise establish a ceiling amount.
Duration of BPAs		
Generally, BPAs should not exceed five years in length Single-award BPAs shall not exceed one year with up to 4 option years	Multiple-award BPAs may be extended to meet program requirements, but cannot exceed the Schedule contract period. Single award BPAs cannot be extended beyond 5 years through additional options	Contractors may be awarded BPAs that extend beyond their current Schedule contracts, provided there are option periods in their Schedule contracts that, if exercised, will cover the BPA's period of performance

Competition Requirements for Establishing BPAs

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- ☐ At or below SAT
 - Solicit at least 3 MAS contractors
 - Survey through GSA *Advantage!*[™]
 - Review catalogs or price lists
 - Request quotations
- ☐ Over SAT
 - Post RFQ on e-Buy; or
 - Provide RFQ to as many MAS contractors as practicable to ensure receipt of 3 quotes

General Guidance

Competition requirements for BPA vary based on the BPA estimated dollar amount and the dollar amount of each order placed.

When competing to establish one or more BPAs, the procedures at FAR 8.405-3(b) must be followed. They are nearly identical to the procedures to be used when placing an order against a Schedule contract. The text below refers to placement of orders against multiple BPAs once those BPAs are in place.

For orders at or below the micro-purchase threshold the ordering activity may place orders with any BPA holder that can meet the agency needs. The ordering activity should attempt to distribute any such orders among the BPA holders.

For orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold (SAT).

- (A) The ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order exceeding the micro-purchase threshold, but not exceeding the SAT unless one of the exceptions at FAR 8.405-6(a)(1)(i) applies.
- (B) The ordering activity need not contact each of the multiple-award BPA holders before placing an order if information is available to ensure that each BPA holder is provided a fair opportunity to be considered for each order.
- (C) The ordering activity contracting officer shall document the circumstances when restricting consideration to less than all multiple-award BPA holders offering the required supplies and services.

For orders exceeding the SAT:

- (A) Provide an RFQ to all BPA holders offering the required supplies or services under the multiple-award BPAs, to include a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made;
- (B) Afford all BPA holders responding to the RFQ an opportunity to submit a quote; and
- (C) Fairly consider all responses received and make award in accordance with the selection procedures.
For DoD ordering activities when the value of the BPA/order exceeds the simplified acquisition threshold (\$150,000) and only one offer was received (DFARS 208.404 and 208.405–70(c)(2)), new procedures mentioned previously apply.

The ordering activity shall document evidence of compliance with these procedures and the basis for the award decision.

Comparing Prices for Orders Not Requiring an SOW

When supplies and services are listed in the Schedules contracts at a fixed price for the performance of a specific task, comparing prices is straightforward. Items and services are all commercial; therefore comparing prices is an easy task.

For orders **at or below the micro-purchase threshold**, ordering activities may place orders with any BPA holder. Ordering activities should attempt to distribute orders among contractors.

For orders **exceeding the micro-purchase threshold AND exceeding the SAT**, ordering activities should develop a Request for Quotations (RFQ) and give all BPA holders a fair opportunity to compete for the award. The ordering activity reviews the quotations received, and makes a best value award decision.

Limiting Competition

(slide)

- ❑ Circumstances allowing limited competition
 - Urgent and compelling need
 - Only one source capable
 - Logical follow-on
- ❑ Limited sources justification
 - Approvals
 - Posting requirements (over SAT) to FedBizOpps

When establishing BPAs or placing orders against the GSA Schedules, there are only three situations when competition can be restricted: If the need is urgent and compelling, if there's only one company capable of doing the work, or if the new work is a logical follow-on to the previous effort. "Logical follow-on" can only be used if the original order was awarded IAW the applicable ordering procedures for the schedules program. "Logical follow-on" cannot be used to continue work under a previously restricted order.

In order to limit competition when using the Schedules, a limited sources justification (LSJ) must be developed and signed at the appropriate levels, i.e., by a warranted Contracting Officer (CO) and at least one level above the CO. In addition to developing and approving the LSJ, it must be published at FedBizOpps, just like a sole source justification.

Brand Name Requirements

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- ❑ “Items peculiar to one manufacturer” allowed
 - Not same as “brand name or equal”
- ❑ RFQ must be posted on e-Buy over \$25,000
 - Basis for restricting competition also posted under SAT
 - Approved limited sources justification must be posted with RFQ on e-Buy over SAT

When creating requirements and writing specifications, it is important to strive to maintain vendor and technology neutrality to the maximum extent feasible. It is just as important to use performance or functional specifications whenever possible to encourage offerors to propose innovative solutions. There are, however, 2 significantly different circumstances recognized in the FAR in which the government’s need cannot be adequately and completely described without some reference to a particular brand name product or feature of a product.

1: Brand Name or Equal - Using a “Brand Name or Equal” purchase description is recognized as permissive of competition because it allows offerors to propose alternatives with supporting information that demonstrates their solution’s equality. The specific, salient features important to the government must be identified, such as compatibility with existing equipment.

2. Brand Name – This is not the preferred approach because it is the most restrictive. Only a particular make and model will suffice. Thus, use of this approach is severely limited and if over \$25,000, requires the development and approval of a limited source justification. The justification is required at the time the requirement is identified – at the BPA level if it applies to the entire scope of the BPA or at the order level if the brand name just applies to individual orders and not to the BPA.

Basis for Establishment

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- ☐ BPAs established considering price and non-price factors, best value
- ☐ Best value factors:
 - Item characteristics
 - Past performance
 - Warranty
 - Ownership costs
 - Maintenance availability
 - Useful life
 - Environmental and energy efficiency
 - Technical qualifications
 - Transportation costs
 - Administrative costs
 - Delivery and performance terms

When determining “best value” an ordering activity may take advantage of the full spectrum of best value techniques as defined in FAR 2.101, from lowest-priced technically acceptable through a full tradeoff process. When determining which non-price evaluation factors to include in an RFQ, ordering activities should decide how factors will be considered and their relative importance to other non-price factors.

Ordering activities should consider:

❖ **Item characteristics:**

- Which commercial services/supplies match most closely with the identified activity requirement?
- Is there an apparent trade-off between service/supply features and price?

❖ **Past performance:**

- Does available information indicate that Schedule contractors or other available sources have significantly different past performance records?
- Does available information indicate that specialized performance experience will significantly improve a contractor’s chance of success in meeting the requirement?

❖ **Warranty:**

- Do Schedule contractors or other suppliers offer warranties?
- Do available warranties protect customers from significant risk?
- Are the warranties offered by Schedule contractors comparable to those offered by other sources in the market?

- If warranties are offered, does the activity have the administrative tracking and logistics capabilities necessary to take advantage of them?

❖ **Ownership costs:**

- What installation costs are associated with the various supplies that meet identified requirements?
- What is the reliability of the various supplies that meet identified requirements (e.g., average time between failures)?
- What are the historical repair costs for the various supplies?
- What are the historical routine maintenance costs for the various supplies?
- What are the disposal costs associated with the various supplies?

❖ **Maintenance availability:**

- Is continuing maintenance required for the supply to meet activity requirements?
- Do Schedule contractors or the suppliers provide maintenance for the identified supply?
- Do Schedule contractors or other suppliers provide maintenance in the area(s) where the supply is most likely to be used?
- If the Schedule contractor is not the original equipment manufacturer (OEM), is there an agreement in place that will ensure services provided by the Schedule contractor will not void the warranty?

❖ **Useful life:**

- How long are available supplies expected to remain useful?
- Are there any significant differences in useful life between supplies?

❖ **Environmental and energy efficiency:**

- Are the products to be supplied or used designated green products, as listed in the Green Products Compilation?
- Do the products to be supplied or used meet the agency's strategic sustainability performance plan goals or the agency toxic and hazardous chemical management plan?
- Do the products to be supplied or used generate hazardous waste, or can they be disposed as solid waste or recycled at the end of their useful life?
- Does the contractor offer a take-back program for products?
- Do the products to be supplied or used meet applicable government-required energy efficiency standards, water efficiency standards, recycled or biobased content, or other energy or environmental requirements?
- Does the contractor offer opportunities for waste prevention, such as reduced packaging or packaging take-back programs?

❖ **Technical qualifications:**

- Are there significant differences in provider/supplier technical qualifications?

- If for services, is the proposed labor mix likely to result in successful performance?
- If the requirement is performance-based, has the contractor proposed appropriate performance standards and a quality assurance plan that measures the right things in order to ensure success?
- Are there unique or specialized qualifications required to meet the activity requirement?
- Are there any significant differences between the technical qualifications of Schedule contractors and other firms in the industry?
- Training and customer support issues:
 - Is training or other customer support important to the user of the supply or service?
 - Do Schedule contractors or other suppliers offer customers significantly different levels of training or other customer support?

❖ **Transportation costs:**

If items are priced other than FOB destination, will the transportation cost be significantly different for shipments from different sellers?

❖ **Administrative costs:**

- Will the administrative costs of contracting with one prospective contractor likely be different from contracting with another? In other words, will it cost more in time and/or money to contract with one seller than it will to contract with another?
- Will the administrative costs of contracting with a Schedule contractor likely be different from those associated with other commercial suppliers?
(Normally administrative costs are much lower for Schedule orders.)

❖ **Delivery and performance terms:**

- Can Schedule contractors meet activity delivery or performance requirements?
- Is the delivery or performance available from Schedule contractors significantly different from the delivery or performance available from other sources?

The benefits of making a “Best Value” selection decision can result in improved mission performance and lower life-cycle costs, while encouraging Schedule contractors to provide their best supplies and services to the government.

The fundamental goal of GSA in managing the Schedules program is to provide an array of procurement choices that provides sufficient flexibility to satisfy customers in terms of choice, price, quality and timeliness of delivery.



NUTS AND BOLTS TIP

Best Value Factor – Socioeconomic Factors

GSA, through the Multiple Award Schedules (MAS) program, is committed to increasing contracting opportunities for small business and assisting ordering activities in achieving or exceeding their socio-economic goals.

To support this effort, ordering activities have two means of promoting small businesses:

1) Ordering activity contracting officers may, at their discretion:

(i) Set aside orders for any of the small business concerns identified in [19.000\(a\)\(3\)](#); and

(ii) Set aside BPAs for any of the small business concerns identified in [19.000\(a\)\(3\)](#); or

2) Ordering activities may, in their best value determination, consider the schedule contractor's socioeconomic status when:

a) The order is estimated to exceed the micro purchase threshold, ordering activities seeking to use the MAS program to achieve their agency small businesses goals, may make socioeconomic status a primary evaluation factor when making a best value determination (see FAR Subpart 8.405-1 (c), 8.405-2 (d), and 8.405-5 (b)).

b) A Request for Quote (RFQ) is issued, it shall reflect that one of the primary evaluation factors is achieving the agency's socio-economic goals.

c) Accepting work from a requiring activity, the ordering activity must *ask and receive confirmation in writing that the requiring activity desires* to achieve one of its socio-economic goals and specify which goal.

And

d) Place a copy of the requirements document with the applicable confirmation in the contract or order file. The Acquisition Plan should indicate which socio-economic objective is to be achieved through the respective acquisition.

Evaluations and Rationales

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- ☐ Evaluation methodology
- ☐ Tradeoff rationale
- ☐ Price reasonableness
- ☐ Annual review results
- ☐ Limited sources rationale
- ☐ Hourly basis rational

Evaluation Methodology. An RFQ issued to establish one or more BPAs must state the evaluation criteria that will be used to determine which quotations offer the best value. Typical evaluation factors include technical capability, capacity to do the required work on an “as needed” basis, past performance, price analysis, etc.

Tradeoff Rationale. FAR guidance instructs us to make best value source selections to ensure the government gets the best solution at the best price. If there are any cost or technical trade-off factors, the ordering agency must identify these factors in the RFQ to ensure the vendors know what the government thinks is important.

Price Reasonableness. Since the pricing on the GSA Schedules has already been determined to be fair and reasonable, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). Quotations received in response to an RFQ may offer lower prices (agencies are charged with seeking price reductions from Schedule pricing).

Annual Review Results. When considering a firm for a BPA award, the contracting officer can review findings of other contracting officers within the agency to see if any performance problems have been noted. This is a form of past performance evaluation.

Limited Sources Rationale. (Brand Name). If the requirement is for a brand name product (i.e. peculiar to one manufacturer), the ordering agency will be required to develop a limited sources justification in accordance with FAR 8.405-6(b) before award of the BPA. The information that must be part of this justification must explain why only a certain product will be acceptable. For brand name requirements over \$25,000, the limited sources justification must be posted in GSA eBuy as part of the Request for Quote.

Limited Sources Rationale. (Non-Brand Name.) If the requirement is for a non brand name product or service, but the ordering activity still decides to restrict it, a limited sources justification must be completed and, if the BPA is estimated to exceed the SAT, the limited sources justification must be posted to FedBizOpps within 14 days after BPA award, posted on

the ordering activity's website (the ordering activity may provide a link to the FBO posting), and remain active for 30 days.

Hourly Basis Rationale. FAR Part 12 contemplates the award of fixed-price contracts and orders for commercial items, though there may be times when the exact number of hours required for each different type of labor category is unknown. In the event that a time-and-materials or labor-hour BPA is to be awarded, the BPA file will need to be documented to show why the hourly basis is required.

Notifying Unsuccessful Offerors

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- ☐ Agencies must provide timely notification to unsuccessful MAS contractors for BPAs over the SAT IAW FAR 8.405-3(b)(3)
- ☐ If requested, agencies must provide a brief explanation of the basis for the award decision
- ☐ If the award was based on factors other than price alone BPAs may be protested

The process for notifying unsuccessful offerors under FAR 8.405 is significantly different from the debriefing that would be required under FAR Part 15. They are notified and told they did not receive an award, are provided with a brief explanation, including the rationale for the award decision(s). While the Government isn't required to give a detailed debriefing, an unsuccessful firm should have their questions answered without going into a lot of detail about the awardees' proposals or their own.

Be aware that a BPA award can be protested, in accordance with the procedures in FAR Part 33.

Price Reductions

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Seek price reductions:

- ☐ Before establishing a BPA that exceeds the SAT
- ☐ When the service or supply is available elsewhere at a lower price
- ☐ At anytime appropriate

The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts.

IAW FAR 8.405-4 ordering activities may request a price reduction at any time before placing an order, establishing a BPA, or in conjunction with the annual BPA review. However, the ordering activity shall seek a price reduction when the order or BPA exceeds the simplified acquisition threshold. Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA.

Any additional discounts obtained should be clearly identified in the resulting Schedule BPA. Identification may take any form appropriate to the acquisition situation. The discount will often be a percentage reduction or a reduced price list applicable to the BPA.

BPA Specifications: Who and When

(slide)

- ☐ Multi-Agency Schedule BPAs
- ☐ BPA Period
- ☐ Ordering Frequency
- ☐ Delivery/Performance Period

Multi-Agency Schedule BPAs. Agencies can join together to create a BPA that is limited to purchasers in any of the partner agencies. This multi-agency Schedule BPA must identify the participating agencies and each agency's estimated requirements at the time the Schedule BPA is established.

BPA Period. The period of the Schedule BPA may be identified with specific beginning and ending dates or simply from award to the expiration date. Schedule BPAs generally should not exceed five years in length, but may do so to meet program requirements. A contractor may be awarded a Schedule BPA that extends beyond the current term of the applicable GSA Schedule contract, so long as there are option periods in the Schedule contract that, if exercised, will cover the Schedule BPA's period of performance.

FAR 8.405-3(e) requires an annual review of each Schedule BPA to determine if the BPA still represents best value. While it is possible to add options to a BPA, there is no compelling reason to do so. Annual reviews of Schedule BPAs are much more flexible and streamlined than a full FAR Part 17 option review. A cancellation clause should be included in the BPA in case there are problems and the government needs to cancel the BPA.

Frequency of ordering. The frequency of ordering should be described as clearly as practicable based on available information.

- ❖ If the frequency of ordering is known, the Schedule user should describe the frequency in the Schedule BPA. For example, the Schedule BPA might state that orders will be issued monthly based on estimated ordering activity requirements for the following month.
- ❖ If the frequency of ordering is not known, the Schedule user should use a general statement that accurately describes the known information about the frequency of ordering. For example, the Schedule BPA might state that orders will be issued when requirements are identified by the ordering activity.

Delivery/performance period. When the Schedule BPA's delivery/performance period is known, the Schedule BPA should state the period.

If the Schedule BPA covers a large number of services or supplies, it may be cumbersome or even impossible to identify delivery/performance periods in the BPA. When various services will

be provided based on a general Schedule BPA SOW, it may be impossible to identify the performance period in the BPA. In those cases, the Schedule BPA should state that the delivery/performance period will be identified in each BPA order.

BPA Specifications: What and Where

(slide)

- ☐ Estimated requirements
- ☐ Delivery/performance locations

Estimated Requirements. Estimated requirements should be based on the best available estimate at the time the Schedule BPA is established. The estimates should describe the expected requirements for a particular type of services or supply over a period of time. The period is normally one year unless the Schedule BPA is for a shorter period of time.

- ❖ The BPA should include a statement that the Government is not obligated to make any purchases using the Schedule BPA. This is commonly done in one of two ways:
 - A statement such as “This Schedule BPA does not obligate any funds. The Government is obligated only to the extent of authorized orders actually made under the BPA”; or
 - A statement such as “The Government estimates, but does not guarantee, that the volume of purchases using this Schedule BPA will be \$_____. This BPA does not obligate any funds. The Government is obligated only to the extent of authorized orders actually made under the BPA.”
- ❖ Ordering activities may include a guaranteed minimum purchase amount in the BPA as a way to get better pricing from the contractor. If the BPA contains such a guarantee, then the ordering activity must dedicate funds to cover the guaranteed minimum.

Delivery/performance Locations. Schedule BPAs for supplies should either identify the location required for delivery or state that it will be provided with each order. If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations as clearly as practicable. At a minimum, the Schedule BPA should identify the geographic area of BPA performance (e.g., Greene County, OH).

BPA Specifications: Invoicing

(slide)

When invoicing, keep in mind:

- ☐ The invoice address for the order
- ☐ The opportunity to consolidate

Invoice Address. If the contractor submits all Schedule BPA invoices to the same address, the BPA should identify that address. If different orders will require that invoices be sent to different addresses, the Schedule BPA should state that invoices must be submitted to the address specified in each order.

Invoice Consolidation. Examples of invoice consolidation requirements include the following statements:

- ❖ “A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein and stating their total dollar value. It must be supported by receipt copies of the delivery tickets.”
- ❖ “An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received.”
- ❖ When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:
 - A consolidated payment will be made for each specified period; and
 - The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever date occurs later.

BPA Documentation Requirements

(slide)

- | | |
|--|--|
| <input type="checkbox"/> Schedule contracts considered, including small businesses | <input type="checkbox"/> Fair and reasonable price determination |
| <input type="checkbox"/> Requirements description | <input type="checkbox"/> If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures |
| <input type="checkbox"/> Results of negotiations | <input type="checkbox"/> If applicable, the rationale for placing other than firm-fixed price or performance-based orders |
| <input type="checkbox"/> Estimated value | |
| <input type="checkbox"/> Evaluation methodology | |
| <input type="checkbox"/> Rationale for any tradeoffs | |
| <input type="checkbox"/> Annual review results | |

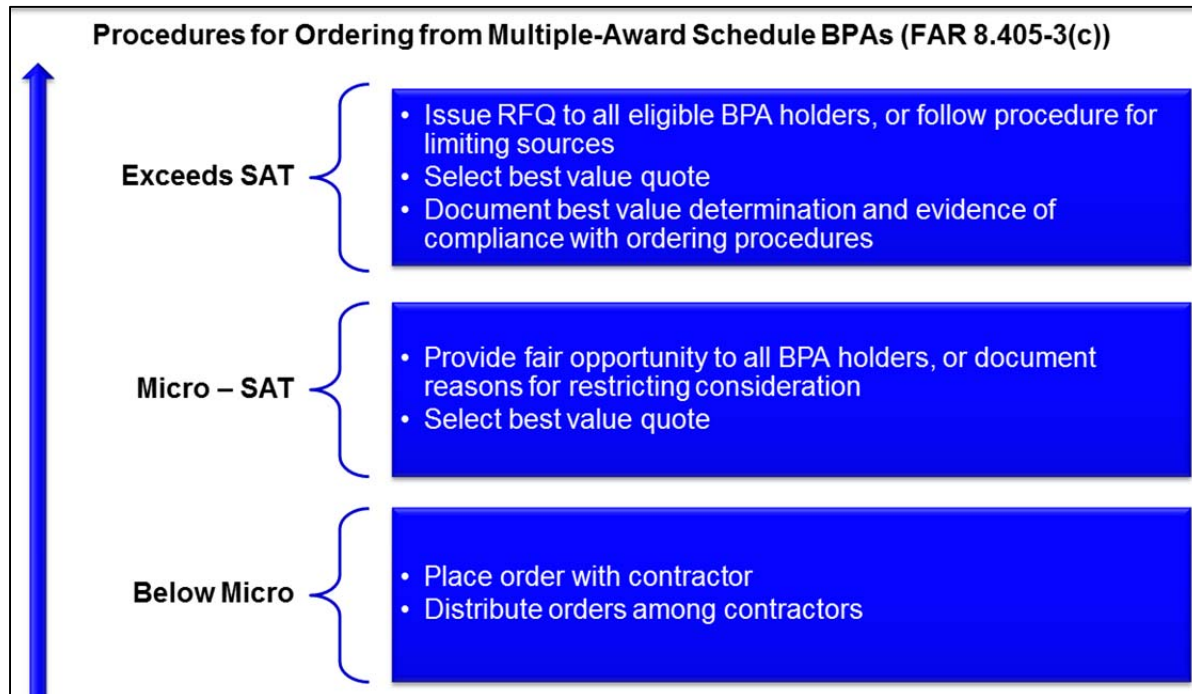
When establishing MAS BPAs, the ordering activity must document:

- ❖ The Schedule contracts considered, noting the contractors with which BPAs have been established
- ❖ A description of the requirements (e.g., estimated quantities, work to be performed)
- ❖ The results of negotiations including agreed upon pricing
- ❖ The estimated value
- ❖ If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
- ❖ The evaluation methodology used in selecting the contractor to receive the BPA(s)
- ❖ The rationale for any tradeoffs in making the selection
- ❖ The price reasonableness determination required by Federal Acquisition Regulation (FAR) 8.405-2(d) for BPAs with hourly rate services
- ❖ If applicable, the rationale for placing other than firm-fixed price or performance-based orders
- ❖ The results of the annual review must be documented

Topic 6: Ordering Procedures

BPA Ordering Procedures

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Procedures for placing orders. The Schedule BPA should identify the people authorized to order using the BPA by position title or individual name and organizational component.

If the ordering activity establishes one Schedule BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises.

If the ordering activity establishes multiple Schedule BPAs, which is preferable in the FAR, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The BPA should specify the ordering procedures at various dollar thresholds, as discussed below.

When ordering from Schedule BPAs, ordering activities must conform to the following requirements:

- ❖ **Single-award BPA.** If the ordering activity establishes one BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises. A single-award BPA might be appropriate if there is only one qualified source, or if it is in the public interest in exceptional circumstances.

- ❖ **Multiple-award BPAs.** If the ordering activity establishes multiple BPAs, before placing an order, the ordering activity must follow the guidelines below.
 - If under the micro-purchase threshold, an award can be made to any BPA holder, so long as orders are fairly spread when needs arise.
 - If over the micropurchase threshold but under the SAT, each BPA holder must be given a fair opportunity to compete for the order, but it is not necessary to individually contact each company. If the contracting officer chooses not to consider all BPA-holders, the file must be documented as to the rationale.
 - For orders over the SAT, the ordering activity must send an RFQ to each BPA holder, affording them the opportunity to submit a quote, and fairly evaluate all responses received, making a best value award in accordance with the specified selection procedures.
- ❖ **BPAs for hourly rate services.** If the BPA is for hourly rate services, the ordering activity must develop a SOW/PWS/SOO for requirements covered by the BPA. All orders under the BPA shall specify a price for the performance of the tasks identified in the SOW/PWS/SOO.

The procedures for placing Schedule BPA orders must conform to applicable FAR, agency, and ordering activity requirements.

Limiting Competition

(slide)

- ☐ A limited sources justification is required at order level when ordering under multiple-award BPAs and fair opportunity is *not* provided to all BPA holders
- ☐ Orders over micro-purchase threshold but under SAT
 - Document circumstances requiring restriction of consideration
- ☐ Orders over SAT
 - Detailed limited sources justification required

If a multiple award BPA is in place, the expected procedure would be to give each BPA holder a fair opportunity to compete for each order over the micro-purchase threshold. If the ordering activity decides to solicit quotes from one firm (or any number under the total number of BPAs awarded), a limited sources justification is required to explain the rationale, if the order is over the SAT. Often, the work is of a follow-on nature, but there may be other reasons (urgent and compelling) to deal with just one firm. The three allowable exceptions are: Urgent & compelling need; only one source capable; and a logical follow-on.

For orders over the micro-purchase threshold but not over the SAT, a memorandum to the file must document the rationale for limiting competition.



NUTS AND BOLTS TIP

Competition

If the response to any of the following questions is “yes,” competition may be unnecessarily limited:

- ❖ Is the SOW narrowly defined with overly restrictive specifications or performance standards?
- ❖ Is the order written in such a way as to create a continuous arrangement with the same contractor?
- ❖ Was the requirement obtained through the use of restricted competition not in accordance with the procedures in FAR Subpart 8.405-6?
- ❖ Is it a brand name or equivalent? Refer to “For Customers — Ordering from Schedules, Use of Brand Name Specifications” located at www.gsa.gov/schedules.

Documentation Requirements

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- ❑ Orders between micro-purchase threshold and SAT
 - Documentation showing why ordering activity restricted consideration, if applicable
- ❑ Orders over SAT
 - Evidence of compliance with competitive procedures in FAR 8.405-3(c) and the RFQ (or limited sources justification, if applicable)
 - Basis for best-value award selection

The documentation requirements for awarding and managing BPAs are in the chart below. When an order is over the SAT, it must be competed among all BPA-holders. The file documentation must provide evidence that this was done, or a limited sources justification must be in the file.

BPA Documentation	
When establishing Blanket Purchase Agreements under the GSA Schedules Program, the ordering activity shall document: <ul style="list-style-type: none"> ❖ The Schedule contracts considered, noting the contractors with which BPAs have been established ❖ A description of the requirements (e.g., estimated quantities, work to be performed) ❖ The results of negotiations including agreed upon pricing the estimated value ❖ If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures. (The FAR Subpart 8.405-6 requirement for written justifications applies when establishing limited sources BPAs, since such BPAs restrict the number of contractors to fewer than those prescribed by the Schedule ordering procedures.) ❖ Justification for award of single BPA including agency head determination required by FAR Subpart 8.405-3(a)(3)(ii) as necessary ❖ The evaluation methodology used in selecting the contractor to receive the BPA(s) ❖ The rationale for any trade-offs in making the selection ❖ The fair and reasonable price determination required by FAR Subpart 8.405-2(d) for BPAs with hourly rate services ❖ If applicable, the rationale for placing other than firm fixed price or performance-based orders 	
BPA Documentation	
When ordering from BPAs, the ordering activity shall document: <ul style="list-style-type: none"> ❖ The BPA holder from which the supply or service was purchased ❖ A description of the supply or service purchased ❖ The amount paid ❖ The total price for any orders are reasonable by performing a price determination as required by FAR Subpart 8.405-2(d) considering the level of effort and mix of labor ❖ If applicable, the rationale for using other than a firm fixed price order or a performance-based order 	
If ordering from multiple-award BPAs, in addition to the above, the ordering activity shall document: <ul style="list-style-type: none"> ❖ The BPAs considered ❖ The evaluation methodology used in selecting the BPA holder to receive the order ❖ The rationale for any tradeoffs in making the selection 	

Review of BPAs		
The ordering activity has established a BPA	The BPA shall be reviewed at least once a year	<ul style="list-style-type: none"> ❖ Review the Schedule contract upon which the BPA is based to determine whether it is still in effect. ❖ Determine whether the BPA still represents the best value (refer to FAR Subpart 8.404(d)). ❖ Determine whether the estimated ❖ Quantities/amounts have been exceeded and attempt to obtain additional price reductions. ❖ Document the results of the review. ❖ Obtain competition advocate approval of review results prior to option exercise for single-award BPA

Annual BPA Review

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- ❑ The annual review determines
 - If the MAS contract upon which the BPA was established still in effect
 - The BPA still represents best value
 - Whether the estimated quantities/amounts have been exceeded and additional price reductions can be obtained
- ❑ Performed by ordering activity Contracting Officer

Annual Review: The ordering activity must document the review of the GSA Schedule BPA annually to determine whether:

- ❖ The underlying Schedule contract is still in effect
- ❖ The BPA still represents the best value
- ❖ Estimated quantities/amounts have been exceeded and additional price reductions can be obtained

The determination shall be included in the BPA file documentation.

Prior to exercising each option under a single-award BPA, the above review of the BPA must be completed. This is a *different process* than exercising an option under FAR Part 17.2, though there are similar activities that must be performed.

Contractors may be awarded Schedule BPAs that extend beyond the current term of their Schedule contract, so long as there are option periods in their Schedule contract that, if exercised, will cover the Schedule BPA's period of performance (refer to FAR Subpart 8.405-(3)(d))



Knowledge Check 1

What are some of the major issues that need to be addressed when establishing MAS BPAs?

Answer:



Knowledge Check 2

Describe the competitive procedures for multiple-award BPAs at the order level for orders:

Answer:

Web Resources

- ❖ Blanket Purchase Agreements: <http://www.gsa.gov/portal/content/199353>
- ❖ Sample BPA Format: http://www.gsa.gov/graphics/fas/BPA_Sample_Format.doc
- ❖ Establishment of BPAs: <http://www.gsa.gov/portal/content/199393>
- ❖ Ordering from BPAs: <http://www.gsa.gov/portal/content/200429>
- ❖ Price Reductions: <http://www.gsa.gov/portal/content/200397>
- ❖ Documentation: <http://www.gsa.gov/portal/content/200545>
- ❖ BPA Frequently Asked Questions: <http://www.gsa.gov/portal/content/200549>
- ❖ MAS Training Student Guides www.gsa.gov/mastrainingstudentguides
- ❖ MAS Desk Reference www.gsa.gov/masdeskreference
- ❖ Multiple Award Schedules www.gsa.gov/schedules
- ❖ eLibrary www.gsaelibrary.gsa.gov
- ❖ GSA *Advantage!* www.gsaadvantage.gov
- ❖ eBuy www.ebuy.gsa.gov
- ❖ MAS News www.gsa.gov/masnews
- ❖ Federal Acquisition Regulation (FAR) www.acquisition.gov/far

Appendix: Blanket Purchase Agreement

MAS BPA Streamlines the Acquisition Process

BPAs help consolidate agency needs in many ways. Two examples are:

- A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
- A multi-agency BPA can be established if the BPA identifies the participating Agencies and their estimated requirements at the time the BPA is established.

BPAs enable an ordering activity to prepare for anticipated purchases and become more proactive in its purchasing approach. Because an ordering activity is not buying products or services when it establishes the BPA, the ordering activity does not need to have the funding available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (note this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can make the purchase by placing a delivery or task order.

Schedule BPAs simplify the acquisition process for the ordering activity. An ordering activity does not need to synopsise requirements for purchase against a BPA. The only exception is for ARRA-funded purchases, which do require a plain-language synopsis of the acquisition need.

The Attraction of Schedule BPAs

Schedule BPAs offer many benefits. Most importantly, Schedule BPAs help ordering activities anticipate and prepare for recurring purchasing needs, and have less acquisition requirements than standard FAR contracts or traditional BPAs.

The government encourages the use of Schedule BPA's for the following reasons:

- Gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase.
- Saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- Pre-negotiated prices means that the government is receiving the best pricing from the contractor on all task orders associated with the Schedule BPA.

The contractor receives value in participating in a Schedule BPA for the following reasons:

- Simplifies production and revenue planning by providing an ongoing source of orders.
- Increases revenue through volume purchases. To earn the volume purchases, the contractor understands volume discounts must be provided.
- The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Guidelines for Establishing BPAs for Work Requiring an SOW

If the BPA is for hourly rate services, the ordering activity must develop a Statement of Work (SOW) for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the Statement of Work.

If the anticipated tasks are narrow in scope/complexity and repetitive in nature, such as mail management at one location, the ordering activity may follow the procedures for establishing a Single Award BPA, as

outlined in FAR 8.405-3. Once a Single Award BPA is established, ordering activities can place orders with the BPA holder without further “best value” selections.

If the anticipated tasks are broad in scope/complexity, such as engineering support services for multiple military bases, the ordering activity may then follow the procedures for establishment of a series of Multiple Award BPAs. When issuing an order from a Multiple Award BPA, the ordering activity must forward the RFQ to an appropriate number of BPA holders, as established in the BPA’s ordering procedures and FAR 8.405-3(c).

Whenever a BPA is being negotiated, the ordering activity should seek price reductions.

Establishing a Schedule BPA: Basic Information

Before an ordering activity can issue a task order against a Schedule BPA, the BPA must first be established. Similar to other acquisitions, a Schedules BPA has certain documentation requirements that provide a permanent record of the process used in evaluating Schedule solutions and establishing the Schedule BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practice.

Most Schedule BPAs begin with general information such as the following:

- A statement that the document is a Schedule BPA
- A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s), including the contract number(s)
- Identification of the organization issuing the Schedule BPA
- Identification of the contractor

The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may include other elements required by FAR Subpart 8.406-1 for Schedule orders.

Award Types

Single Award BPAs

If the ordering activity establishes one BPA, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

When establishing a single BPA, the ordering activity should address the following:

- The frequency of orders, invoices, discounts, delivery locations and time
- Supplies or services to be ordered, and type of pricing, such as hourly rate services
- A Firm Fixed Price (FFP), Labor Hour or Time and Materials (T&M) pricing arrangement for individual task or delivery orders, as allowed in the GSA Schedule Contract
- Confirmation that a single BPA contractor can meet estimated requirements
- Declaration that the government seeks to obtain the best value from a single Schedule contractor, and considering quantity discounts, administrative savings and other benefits related to reduced acquisition lead-time
- Authorized users

To issue a single award BPA, the ordering activity must first issue a BPA RFQ. The ordering activity must evaluate all quotes submitted and select the contractor who provides the best value. When the ordering activity needs to purchase against the BPA, a task order RFQ is issued to the single BPA holder. The contractor submits a quote, which is evaluated by the ordering activity. The ordering activity decides if placing an order would be in their best interest.

One advantage of a single award Schedule BPA is all future orders are simplified because the ordering activity can go to a single vendor for all items covered by the BPA. Another advantage is that vendors are motivated to provide better pricing and terms because the Government is leveraging the full value of the requirement, thereby attracting maximum competition.

Multiple Award BPAs

Multiple award BPAs are established with more than one Schedule contractor. Multiple award BPAs are appropriate when the ordering activity determines that more than one BPA is necessary to meet its needs, or when the requirement is less defined. Multiple award BPAs require ordering activities to make two best-value evaluations: Who receives the BPA? Who receives the task order?

The number of BPAs to be established is within the discretion of the ordering activity establishing the BPAs and should be based on a strategy that is expected to maximize the effectiveness of the BPAs. In determining how many BPAs to establish, the ordering activity should consider:

- The scope and complexity of the requirement(s)
- The need to periodically compare multiple technical approaches or prices
- The administrative costs of Multiple BPAs
- The technical qualifications of the Schedule contractor(s)

Ordering procedures for multiple-award BPAs are as follows:

- For orders at or below the micro-purchase threshold the ordering activity may place orders with any BPA holder that can meet the agency needs. The ordering activity should attempt to distribute any such orders among the BPA holders.
- For orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold.
 - (D) The ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold unless one of the exceptions at FAR 8.405-6(a)(1)(i) applies.
 - (E) The ordering activity need not contact each of the multiple-award BPA holders before placing an order if information is available to ensure that each BPA holder is provided a fair opportunity to be considered for each order.
 - (F) The ordering activity contracting officer shall document the circumstances when restricting consideration to less than all multiple-award BPA holders offering the required supplies and services.
- For orders exceeding the simplified acquisition threshold.
 - (D) Provide an RFQ to all BPA holders offering the required supplies or services under the multiple-award BPAs, to include a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made.
 - (E) Afford all BPA holders responding to the RFQ an opportunity to submit a quote; and
 - (F) Fairly consider all responses received and make award in accordance with the selection procedures.
- The ordering activity shall document evidence of compliance with these procedures and the basis for the award decision.

Sample BPA Format

A BPA does not need to be a long document. The sample BPA template on the next page is available as a Word document on the GSA website at www.gsa.gov/bpaformat.

Sample BPA Format

BPA NUMBER _____	
(CUSTOMER NAME) BLANKET PURCHASE AGREEMENT	
Pursuant to GSA Federal Supply Schedule Contract Number(s) _____ and Federal Acquisition Regulation (FAR) 8.405-3, Blanket Purchase Agreements (BPAs), the Contractor agrees to the following terms of a BPA EXCLUSIVELY WITH _____ (Ordering Agency):	
(1) The following contract services/products can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:	
ITEM (Model/Part Number or Type of Service)	SPECIAL BPA DISCOUNT/PRICE
_____	_____
(2) Delivery:	
DESTINATION	DELIVERY SCHEDULE/DATES
_____	_____
(3) The Government estimates, but does not guarantee, that the volume of purchases through this agreement will be _____.	
(4) This BPA does not obligate any funds.	
(5) This BPA expires on _____ or at the end of the contract period, whichever is earlier.	
(6) The following office(s) is hereby authorized to place orders under this BPA:	
OFFICE	POINT OF CONTACT
_____	_____
(7) Orders will be placed against this BPA via Electronic Data Interchange (EDI), FAX, paper, or oral communications.	
(8) Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information as a minimum:	
(a) Name of Contractor;	
(b) Contract Number;	
(c) BPA Number;	
(d) Model Number or National Stock Number (NSN);	
(e) Task/Delivery Order Number;	
(f) Date of Purchase;	
(g) Quantity, Unit Price, and Extension of Each Item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information); and	
(h) Date of Shipment.	
(9) The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified within the task/delivery order transmission issued against this BPA.	
(10) The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.	

Price Reductions

Ordering activities should seek additional price reductions, increased discounts or concessions when placing an order under a GSA Schedule contract or BPA. Contractors often will “sharpen their pencils” to obtain a large Schedule contract order. GSA Schedule contractors are not required to grant all Schedule users a price reduction extended to an individual customer for a specific order.

The ability to seek additional price reductions and concessions allows the Government not only to leverage its combined requirements to obtain favorable prices, terms, and conditions, but also to leverage agency requirements to take advantage of quantity or spot discounts available in a fluid, commercial pricing atmosphere.

An ordering activity should try to seek further price reductions when requirements warrant reductions. Price reductions allow ordering activities to take advantage of flexible and dynamic pricing in the commercial marketplace. By requesting a price reduction, the ordering activity can maximize its use of GSA Schedule contracts by taking advantage of factors such as:

- Competitive forces
- Technological changes
- Labor conditions
- Supply and demand
- Industry sales goals
- Inventory reductions

An ordering activity should seek price reductions for any size Schedule contract order, and must seek price reductions if a requirement exceeds the SAT. In response to the ordering activity's request for a price reduction, the contractor may:

- Offer a lower price;
- Offer the current Schedule contract price; or
- Decline the order.

If further price reductions are not offered, the order may still be placed by the ordering activity because GSA has determined the contract prices to be fair and reasonable.